

FlexShares Credit-Scored US Corporate Bond Index Fund

SKOR

All data as of December 31, 2024

OBJECTIVE

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Northern Trust US Corporate Bond Quality Value Index[®] (Underlying Index).

FUND FACTS

Ticker	SKOR
Inception	11/12/2014
CUSIP	33939L761
Exchange	NASDAQ
Underlying Index	Northern Trust US Corporate Bond Quality Value Index SM
Index Ticker	NTUQVCBTR
IOPV Ticker	SKOR.IV
Estimated Cash Ticker	SKOR.EU
Net Assets	\$464,854,478
Shares Outstanding	9,750,001
No. of Holdings	1,699

FUND INFORMATION

Weighted Average Maturity (years)	6.43
Weighted Average Price	97.09
Weighted Average Effective Duration (years)	4.05
Weighted Average Option Adjusted Spread (basis points)	109.74
SEC Subsidized Yield	4.96%
SEC Unsubsidized Yield	4.95%
EXPENSE RATIO (%)	
Management Fee	0.15
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.16
Expense Reimbursement	-0.01
Net Expense Ratio	0.15

QUARTER END PERFORMANCE (%) As of December 31, 2024

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
SKOR NAV Return	-1.26	4.63	4.63	0.40	1.67	2.65	2.67
SKOR Market Return	-1.32	4.41	4.41	0.43	1.68	2.61	2.67
Northern Trust US Corporate Bond Quality Value Index SM Return	-1.25	4.90	4.90	0.84	N/A	N/A	2.00
Bloomberg Intermediate U.S. Corporate	-1.40	4.22	4.22	0.43	1.51	2.61	2.61

Index performance returns do not reflect any fees, transaction costs, expenses or taxes.

Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data for the latest month end is available at <https://www.flexshares.com/us/en/individual/funds>. It is not possible to invest directly in an index.

FlexShares shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 pm EST Net Asset Value. Beginning July 1, 2024, market price performance is determined using the closing price on the primary exchange. Prior to July 1, 2024, market price performance was determined using the bid/ask midpoint at 4:00pm EST, when the NAV is typically calculated. Market price returns do not represent the returns you would receive if you traded shares at other times.

Northern Trust Investments, Inc. ("NTI" or the "Adviser") has contractually agreed to reimburse a portion of the operating expenses of the Fund (other than Acquired Fund Fees and Expenses) to the extent the "Total Annual Fund Operating Expenses" exceed 0.22% until March 1, 2025. Performance would have been lower without fee waivers and expense reimbursements in effect.

30-Day SEC Subsidized Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. It is a "subsidized" yield, which means it includes contractual expense reimbursements and it would be lower without those reimbursements. It may also include an inflation adjustment that can cause the yield to vary substantially from one month to the next.

30-Day SEC Unsubsidized Yield calculation is also computed under the same SEC standardized formula based on net income earned over the past 30 days, but excludes contractual expense reimbursements, resulting in a lower yield. It may also include an inflation adjustment that can cause the yield to vary substantially from one month to the next.

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TOP FUND HOLDINGS

Name	Coupon	Maturity	Weight (%)
CITIGROUP INC CALLABLE NOTES VARIABLE 25/MAY/2034	6.174%	05/25/2034	0.37
JPMORGAN CHASE & CO CALLABLE NOTES VARIABLE	1.578%	04/22/2027	0.30
NETFLIX INC CALLABLE NOTES FIXED 5.875%	5.875%	11/15/2028	0.29
HSBC HOLDINGS PLC CALLABLE NOTES VARIABLE	3.973%	05/22/2030	0.29
BANK OF AMERICA CORP CALLABLE MEDIUM TERM NOTE	4.948%	07/22/2028	0.28
FISERV INC CALLABLE NOTES FIXED 3.5% 01/JUL/2029	3.500%	07/01/2029	0.27
DEUTSCHE TELEKOM INTERNATIONAL FINANCE BV BOND	8.750%	06/15/2030	0.27
CITIGROUP INC CALLABLE NOTES VARIABLE 24/JUL/2028	3.668%	07/24/2028	0.27
BANK OF AMERICA CORP CALLABLE MEDIUM TERM NOTE	3.705%	04/24/2028	0.26
HSBC HOLDINGS PLC CALLABLE NOTES VARIABLE	8.113%	11/03/2033	0.26
Total			2.84

SECTOR (%)

Financials	39.59
Consumer	17.60
Energy	15.60
Technology, Telecomm & Media	14.69
Industrial	12.43
Other	0.09

SUB-SECTOR (%)

Banking	27.77
Technology	13.10
Midstream	7.21
Property & Casualty	3.94
Independent Energy	3.83
Electric	3.39
Retailers	3.08
Diversified Manufacturing	2.98
Tobacco	2.91
Health Care	2.76
Other	29.03

COUNTRY (%)

United States	82.66
Canada	5.03
United Kingdom	5.01
Australia	1.64
Germany	0.97
Spain	0.73
China	0.53
Netherlands	0.47
Japan	0.41
Brazil	0.40
Other	2.15

MATURITY (%)

0 - 2 Years	12.51
2 - 3 Years	10.21
3 - 5 Years	27.64
5 - 7 Years	20.09
7 - 10 Years	23.35
10+ Years	6.11
Cash/and or Derivatives	0.09

Holdings are subject to change without notice.

Sectors may include many industries and weights are subject to change without notice.

Country allocations subject to change without notice.

Percentages for some of the tables on this page may not total 100 due to rounding.

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QUALITY ALLOCATIONS(%)

S&P		MOODY'S		FITCH	
AAA	0.13%	Aaa	0.84	AA	6.14
AA	3.54%	Aa	4.49	A	24.07
A	27.81%	A	29.89	BBB	40.47
BBB	65.53%	Baa	60.29	BB	0.13
BB	1.46%	Ba	2.62	Unclassified	29.19
Unclassified	1.53%	Unclassified	1.87	Total	100
Total	100	Total	100		

DEFINITIONS

Credit Ratings are forward looking opinions about an issuer's relative creditworthiness. They provide a common and transparent global language for investors to form a view on and compare the relative likelihood of whether an issuer may repay its debts on time and in full. Credit Ratings are just one of many inputs that investors and other market participants can consider as part of their decision-making processes.

Duration is the sensitivity of a fixed income security's price to a change in interest rates.

Fitch's Credit Rating scale assigns using the categories 'AAA' to 'BBB' (investment grade) and 'BB' to 'D' (speculative grade) with an additional +/- for AA through CCC levels indicating relative differences of probability of default or recovery for issues.

Moody's Credit Ratings scale assigns ratings ranging from Aaa to C, with Aaa being the highest quality and C the lowest quality.

S&P Credit Rating scale assigns ratings ranging from AAA the highest quality; extremely strong capacity to meet financial commitments, to D the lowest quality, payment default on a financial commitment or breach of an imputed promise; also used when a bankruptcy petition has been filed.

Spread is the difference in the yield on a corporate bond and a government bond with a similar maturity.

Weighted Average Effective Duration is the sum of the duration of the underlying securities, weighted by its market value with respect to the total market value of the portfolio.

Weighted Average Maturity is calculated by weighing each bond's maturity by its market value with respect to the portfolio, as well as the likelihood of any of the bonds being called.

Weighted Average Option Adjusted Spread is the sum of the spreads of the fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option of the underlying securities, weighted by its market value with respect to the total market value of the portfolio.

Weighted Average Price is the sum of the price of the underlying securities, weighted by its market value with respect to the total market value of the portfolio.

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SKOR*All data as of December 31, 2024*

IMPORTANT INFORMATION

Before investing, carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information is in the prospectus and a summary prospectus, copies of which may be obtained by visiting www.flexshares.com. Read the prospectus carefully before you invest.

Foreside Fund Services, LLC, distributor. FlexShares and Foreside are not related.

An investment in FlexShares is subject to numerous risks, including possible loss of principal. Fund returns may not match the return of the respective indexes. A full description of risks is in the prospectus.

FlexShares Credit-Scored US Corporate Bond Index Fund (SKOR) is passively managed and uses a representative sampling strategy to track its underlying index. Use of a representative sampling strategy creates **Tracking Risk** where the Fund's performance could vary substantially from the performance of the underlying index along with the risk of high portfolio turnover. The fund is subject to the risk that the Fund's investment in companies whose securities are believed to be undervalued will not appreciate in value as anticipated or the past performance of companies that have exhibited quality characteristics does not continue.

Effective April 30, 2020, the Fund's investment objective, principal investment strategies and underlying index were changed. Additionally, the underlying index for SKOR was changed from the Northern Trust Credit-Scored US Corporate Bond Index to the Northern Trust US Corporate Bond Quality Value Index. Performance information for the Northern Trust US Corporate Bond Quality Value Index is not available for periods prior to its commencement date of January 31, 2020.

The Northern Trust US Corporate Bond Quality Value Index has an inception date of January 31, 2020, and is designed to measure the performance of a diversified universe of intermediate maturity, US -dollar denominated bonds of companies with investment grade credit quality, favorable valuations, and enhanced short-term and long-term solvency.

Bloomberg Intermediate U.S. Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market.

All data provided by: Northern Trust, J.P. Morgan, Rimes, Morningstar and Refinitiv.

Authorized Participant Concentration Risk is the risk that the Fund may be adversely affected because it has a limited number of institutions that act as authorized participants. **Financial Sector Risk** is the risk that the financial sector can be significantly affected by changes in interest rates, government regulation, the rate of corporate and consumer debt defaulted, price competition, and the availability and cost of capital, among other factors. **Quality-Value Score Risk** is the risk that the Fund's investment in companies whose securities are believed to be undervalued will not appreciate in value as anticipated or the past performance of companies that have exhibited quality characteristics does not continue. **Concentration Risk** is the risk that, if the Fund is concentrated in a particular industry or group of industries, the Fund is likely to present more risks than a fund that is broadly diversified over several industries or groups of industries. **Income Risk** is the risk that the Fund's income may decline when interest rates fall. **Credit Risk**, is the risk that the inability or unwillingness of an issuer or guarantor of a fixed-income security, or a counterparty to a TBA, repurchase or other transaction, to meet its payment or other financial obligations will adversely affect the value of the Fund's investments and its returns. The credit quality of a debt security or of the issuer of a debt security held by the Fund could deteriorate rapidly, which may impair the Fund's liquidity or cause a deterioration in the Fund's NAV. **Debt Extension Risk** is the risk that when interest rates rise an issuer will exercise its right to pay principal on certain debt securities held by the Fund later than expected. This will cause the value of the security, and the Fund's NAV, to decrease, and the Fund may lose opportunities to invest in higher yielding securities.

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Interest Rate/Maturity Risk is the risk that the value of the Fund's fixed-income assets will decline because of rising interest rates. In general, securities with longer maturities or durations are more sensitive to interest rate changes. **Derivatives Risk** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the Fund. **Liquidity Risk** is the risk that certain portfolio securities may be less liquid than others, which may make them difficult or impossible to sell at the time and the price that the Fund would like, adversely affecting the value of the Fund's investments, its returns. Illiquid investments may be harder to value, especially in changing markets, and if the Fund is forced to sell these investments to meet redemption requests or for other cash needs, the Fund may suffer a loss. **Prepayment (or Call) Risk** is the risk that an issuer could exercise its right to pay principal on callable debt securities held by the Fund earlier than expected. **Corporate Bond Risk** is the risk the Fund faces because it invests primarily in bonds issued by corporations. **Tracking Error Risk** is the risk that the Fund's performance may vary substantially from the performance of the Underlying Index. The Fund's performance may vary from the performance of the Underlying Index for a number of reasons including that the Fund incurs operating expenses that the Underlying Index does not and that the Fund accepts custom baskets. **Market Trading Risk** is the risk that the Fund faces because its shares are listed on a securities exchange, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. ANY OF THESE FACTORS MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.